

You will now rule foolscap paper in Ledger form, as shown on the preceding page, preparatory to arranging the receipts and payments of Cash, found in the Exercises following, in accordance with the rules governing this Account.

Sept. 1, Invested cash in business, \$2,000. Sept. 2, Paid cash for goods, \$15.25. Sept. 5, Received cash for merchandise sold, \$310.25. Sept. 10, Bought goods from Ed. in Smith for cash, \$416.32. Sept. 12, Purchased office safe for cash, \$125. Sept. 15, Sold C. G. Garnett merchandise for cash, \$275.85. Sept. 18, Received cash from W. J. Mill on account, \$103.10. Sept. 20, A. Gillen was given cash for one month's rent, \$41.75. Sept. 21, Bought stove for store by cash, \$18.50. Sept. 21, Paid for postage, \$5.00. Sept. 25, Lent A. D. Campbell, \$3.75.

Always foot an account in the Ledger in small lead pencil figures, close up to the last item posted. See example on preceding page.

A comparison of the debit and credit footings of this account will show the "debit side to be always the larger excepting when the money has all been paid out, in which case the account will be in balance. The balance on hand is a resource to the business.

To close the account write on the smaller side (which should be the credit) in red ink, the amount on hand and the word "Balance" together with the date. Then rule, foot and bring down the balance in black ink on the opposite side.

RESULTS.

Total receipts of cash	\$2,758.20
" payments of cash	1,125.57
Balance of cash on hand	1,632.72

CASH EXERCISE No. 2.

Oct. 1, Have on hand cash from previous business, \$1,632.72. Oct. 2, Bought merchandise for cash, \$800.00. Oct. 3, Sold merchandise to John Horton for cash, \$170.80. Oct. 4, Paid cash for a set of office books, \$21.75. Oct. 4, Paid cash for repairs to store, \$6.85. Oct. 5, Sold E. G. Fitzgerald, merchandise for cash, \$165.84. Oct. 6, Received cash from W. C. Zoellner on account, \$64.75. Oct. 6, Paid clerk one month's salary, \$35.00. Oct. 12, Paid cash for coal for store, \$9.00. Oct. 15, Received cash to apply on James Butler's note, \$40.30. Oct. 17, Sold H. Sangster, merchandise for cash, \$123.27. Oct. 20, Paid Henry Benson on account, \$10.75.

Rule and foot the account as in Exercise No. 1.

Result :— Cash on hand (resource) \$1,326.45

Note to Teacher. Pupils may be supplied with ruled Ledger sheets, but it will be excellent practice for them to rule their own paper. These exercises should be supplemented by others of a similar nature.